

By: Koop, Meyer, Deshotel, Bohac, Longoria,
et al.

H.B. No. 3439

Substitute the following for H.B. No. 3439:

By: Bohac

C.S.H.B. No. 3439

A BILL TO BE ENTITLED

AN ACT

relating to a school district contract to partner with an
open-enrollment charter school to operate a district campus.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 11, Education Code, is
amended by adding Section 11.174 to read as follows:

Sec. 11.174. CONTRACT WITH OPEN-ENROLLMENT CHARTER SCHOOL
REGARDING OPERATION OF DISTRICT CAMPUS. (a) If the board of
trustees of a school district contracts with the governing body of
an open-enrollment charter school under Section 11.157 for the
district to partner with the charter school to operate a district
campus as provided by this section, the campus qualifies for:

(1) an exemption from intervention as provided by
Subsection (f); and

(2) funding as provided under Section 42.2511.

(b) An open-enrollment charter school may contract with a
school district under this section only if:

(1) the charter of the open-enrollment charter school
has not been previously revoked; and

(2) for two of the three school years preceding the
school year of the proposed operation of the district campus as
described by Subsection (a), the charter school has received:

(A) an overall performance rating of acceptable
or higher under Subchapter C, Chapter 39; and

1 (B) a financial accountability rating under
2 Subchapter D, Chapter 39, indicating financial performance of
3 satisfactory or higher.

4 (c) Before entering into a contract as provided by this
5 section, a school district must consult with campus personnel
6 regarding the provisions to be included in the contract between the
7 school district and the open-enrollment charter school.

8 (d) To operate a district campus as provided by this
9 section, the district campus must be granted a charter under
10 Subchapter C, Chapter 12.

11 (e) The commissioner shall continue to evaluate and assign
12 overall and domain performance ratings under Section 39.054 to a
13 district campus subject to a contract described by Subsection (a).

14 (f) This subsection applies only to a district campus
15 subject to a contract described by Subsection (a) that received an
16 overall performance rating of unacceptable under Subchapter C,
17 Chapter 39, for the school year before operation of the district
18 campus under the contract began. The commissioner may not impose a
19 sanction or take action against the campus under Section 39.107(a)
20 or (e) for failure to satisfy academic performance standards during
21 the first two school years the open-enrollment charter school
22 operates the district campus. The overall performance rating
23 received by the campus during those first two school years is not
24 included in calculating consecutive school years and is not
25 considered a break in consecutive school years under Section
26 39.107(a) or (e).

27 (g) A campus subject to Subsection (f) that receives an

1 overall performance rating of unacceptable under Subchapter C,
2 Chapter 39, for any school year after the first two school years the
3 school district and the open-enrollment charter school began
4 operation of the district campus may receive an exemption from a
5 sanction or other action only if the campus receives approval for
6 the exemption from the commissioner.

7 (h) Subject to Subsection (i), a contract entered into by
8 the board of trustees of a school district and the governing body of
9 an open-enrollment charter school for the operation of a district
10 campus as provided by Subsection (a) must include a provision
11 addressing student eligibility for enrollment.

12 (i) The contract of a campus subject to Subsection (f) must
13 provide that any student residing in the attendance zone of the
14 district campus as the attendance zone existed before operation of
15 the district campus under the contract shall be admitted for
16 enrollment at the campus. The contract must establish enrollment
17 preference for students who do not reside in the attendance zone as
18 follows:

19 (1) other students residing in the school district in
20 which the campus is located; and

21 (2) students who reside outside the school district.

22 (j) The commissioner may adopt rules as necessary to
23 administer this section, including requiring a school district to
24 notify the commissioner of any contract entered into under this
25 section by the district and open-enrollment charter school.

26 (k) This section does not prohibit a contract between a
27 school district and another entity for the provision of services

1 for the campus.

2 SECTION 2. Subchapter E, Chapter 42, Education Code, is
3 amended by adding Section 42.2511 to read as follows:

4 Sec. 42.2511. SCHOOL DISTRICT ENTITLEMENT FOR CERTAIN
5 STUDENTS. (a) This section applies only to a school district that
6 has entered into a contract with an open-enrollment charter school
7 to operate a district campus as provided by Section 11.174.

8 (b) Notwithstanding any other provision of this chapter or
9 Chapter 41, a school district subject to this section is entitled to
10 receive for each student in average daily attendance at the campus
11 described by Subsection (a) an amount equivalent to the difference,
12 if the difference results in increased funding, between:

13 (1) the amount described by Section 12.106; and

14 (2) the amount to which the district would be entitled
15 under this chapter.

16 (c) The commissioner shall adopt rules as necessary to
17 administer this section.

18 SECTION 3. This Act applies beginning with the 2017-2018
19 school year.

20 SECTION 4. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2017.